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INTERNATIONAL ECONOMIC RELATIONS

No. 57



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SOVIET AID IN BUILDING PROJECTS IN CEMA, LESS DEVELOPED COUNTRIES

Moscow EKONOMICHESKAYA GAZETA in Russian No 18, Apr 83 pp 20-21

[Article by I. Kapranov, chief of the Economic Planning Administration of the State Committee for Foreign Economic Relations: "With the Help of the Soviet Union"]

[Text] The USSR's cooperation with foreign countries in the field of capital construction and material production is giving to its foreign economic relations a varied, long-term, and large-scale character, and is making the Soviet Union's participation in the international division of labor deeper and more stable.

Cooperation With the Socialist Countries

The basic work which is performed with USSR economic and technical assistance has been carried out in the CEMA countries.

In Bulgaria in 1982 six power engineering objects which were created with USSR assistance went into operation; one of the most important of them is the Kozloduy Atomic Electric Power Station. With the start-up of the fourth energy block the second stage of its expansion to a capacity of 1,760 megawatts was concluded. Last year 10.6 billion kilowatt-hours, or 27 percent of the electric energy produced in the country, was produced at it. Catalytic cracking and vacuum hydrotreatment installations went into operation at the Burgas Petrochemical Combine. Capacities for the production of 500,000 tons of steel were commissioned at the Metallurgical Combine imeni Lenin in Pernik. At the Kremikovtsi Metallurgical Combine imeni L. I. Brezhnev a number of shops went into operation which are making it possible to intensify the blast furnace and converter processes, and also to increase the production of rolled goods. The construction of the Yelatsite Copper Enriching Combine has been completed. Shops and installations for the production of certain chemical products have been put into operation. Equipment for other objects was supplied. The construction of the subway in Sofia continues. An agreement has been signed on cooperation in the performance of petroleum and gas prospecting on the continental shelf of the People's Republic of Bulgaria.

In Hungary the first 440-megawatt block has been started up at the Pecs Atomic Electric Power Station. As early as 1985 this atomic power station will produce 50 percent of the country's electric energy, which will be equivalent to economizing 1.5 million tons of petroleum. An oxygen converter shop with a capacity

of one million tons of steel a year has gone into operation in the Danube Metallurgical Combine. A coking battery with the capacity of one million tons of coke a year is being built in the same place. A weak nitric acid production has gone into operation at the Borsod Chemical Combine. Assistance has been provided in the construction of four mines with a total plant capacity of 8.4 million tons annually. Output has begun to be produced by two winter soil greenhouse complexes in the area of Szeged.

In Vietnam construction work has been conducted on a broad front on the Hoa Binh Hydroengineering Center on the Da River containing a 1,920-megawatt hydroelectric power station (in January 1983 the river crossing took place) and the 660-megawatt Falay Thermal Electric Power Station whose first energy block will go into operation this year. The first stage of the Mongzyong Coal Mine, and the Thanh Hoa-Vinh Electric Transmission Line have been put into operation. Coal mines and quarries with a total capacity of around five million tons of coal annually have been built. New gas-bearing strata have been discovered in the north of Vietnam. Substantial work has been done within the framework of the joint Soviet-Vietnamese enterprise for the performance of geological surveying work and petroleum and gas extraction on the southern continental shelf of the Socialist Republic of Vietnam. A tin production combine is being created in the area of Ngetin' (on a compensation basis), and the construction of a number of other industrial and transportation enterprises has continued. Work has been done to open up 70,000 hectares of virgin and long fallow lands to plant ghee plantations on them (on a compensation basis). The creation of cotton raising state farms has begun, and four tea factories have been built and two reconstructed.

In the GDR the 500-megawatt No. 2 Energy Block went into operation at the Enschwalde Thermal Electric Power Station; with its commissioning the construction of the first stage of the 1,000-megawatt station is concluded. The basic technological equipment for the Nord Atomic Electric Power Station (Blocks No. 5 and No. 6) was delivered. Its total capacity will be 3,520 megawatts. Geological surveying for petroleum and gas was conducted; a new gas condensate deposit has been discovered in the country's North. A high temperature natural gas converter, and two sanitary engineering cabin production lines went into operation.

In the Republic of Cuba 100-megawatt energy blocks went into operation at the Mariel and Rente Thermal Electric Power Stations, an 880-kilometer transmission line was built, construction work was done on the 880-megawatt Juragua Atomic Electric Power Station, petroleum refining plants in Havana and Santiago de Cuba were reconstructed, and a petroleum refining plant was built in Cienfuegos. Work continued to expand the metallurgical plant imeni Jose Marti to 600,000 tons of steel a year, and the production base was created for a metallurgical combine with a capacity of 1.3 million tons of steel annually in the province of Holguin. Construction work was performed on a nickel plant in Punta Gorda (on a compensation basis) with a capacity of 30,000 tons of cobalt nickel a year. Most of the machine building enterprises which are being built with USSR assistance are intended for servicing the sugar industry. Reconstruction work

was performed on transportation. Construction work continued on a textile combine and a cotton spinning mill, and several operating textile factories were reconstructed. Equipment was supplied for 11 new and 23 reconstructed sugar plants. Fourteen citrus packing points were created. A national poultry raising combine was built. Twenty-four new teaching centers have been created.

In Mongolia operations were begun at the Dzuntsagandel Mine and at the Borundor-II Prospecting and Operations Combine, with both of these enterprises providing for the annual mining of 300,000 tons of flourite. The expansion from 24,000 to 36,000 kilowatts of the thermal electric power station in Choybalsan has been completed. Operation have been begun at the Ulaanbaatar-Darhan (220 kilometers) Electric Transmission Line, a 500-kilometer electric transmission line in a rural area, a start-up complex at the Baganur Pit for the mining of one million tons of coal a year (the pit's total capacity will be six million tons), a shop for the production of truck trailers and for repairing truck cabins, a ceramic plate shop, a knitted goods factory, two dairy farms, a warehouse for a combined feed insurance fund, around 3,000 barns for cattle and their young, 12 feed preparation shops, 1,400 watering points, and other objects. The Thermal Electric Power Station-4 with a capacity of 380 megawatts is being built in the capitol--it is one of the republic's largest energy facilities. A lime and cement plant has been built, as have apartment houses with cultural and domestic facilities in some cities and rural areas. Agricultural equipment for the opening up of virgin lands was supplied.

Cooperation work was done with Poland in the construction of a 750-kilovolt electric transmission line from the Khmel'nitsa Atomic Electric Power Station (USSR) to the substation in Rzeszow (Poland). Designing work was performed for the 880-megawatt Zharnovets Atomic Electric Power Station. The delivery of boilers with a steam production capacity of 650 tons per hour for the No. 5 and No. 6 Energy Blocks of the Polonets Thermal Electric Power Station was completed. Equipment was delivered for the development of the gas industry. A ferroconcrete pumping pipe plant went into operation in Ostrow Velikopol'skiy. Construction work was completed on the Sukhi Dvur Greenhouse Combine, and two model state farms were created. In June 1982 an agreement was signed on cooperation in construction of the first line of a subway in Warsaw with a length of 23.1 kilometers and 23 stations, and on the presentation as a gift of the Soviet people of the planning and technical documentation and also of 90 cars for the operation of the subway's first section.

Romania received equipment for a "1400" cold rolling mill at the metallurgical plant in Galati, and for the Galati Thermal Electric Power Station and the "Zheleznyye Vorota-II" Hydroelectric Power Station on the Danube. In September 1982 a cooperation agreement was signed on the construction in Romania of a 3,000-megawatt atomic electric power station. Construction work has been completed on a plant for the production of 200,000 tons of caustic soda and other chemical products, two additional caustic soda plants were built, as was a plant for the production of viscose cellulose from beech wood. Last year deliveries were completed to Czechoslovakia of equipment for the Energy Block No. 1 at the Bohunice Atomic Electric Power Station-II and the Energy Block No. 1

at the Dukovany Atomic Electric Power Station. In December 1982 a cooperation agreement was signed on the construction of the second stage of the Temelin Atomic Electric Power Station. A technical hydrocarbon installation in Valasske Mezirici has begun to produce output. Cooperation work was performed in the reconstruction of the East Slovak Metallurgical Combine in Kosice. The construction of the subway in Prague continued, and television studio equipment was delivered.

Economic cooperation with other socialist countries also developed.

In Laos an agricultural equipment repair workshop was built. Construction work was performed on motor vehicle bridges over the rivers Ngum and Kading, and Soviet equipment was supplied to the state transportation organization for foreign trade hauls, road construction teams, a state construction organization, and two stone quarries. Equipment was delivered for the restoration and operation of a tin mining enterprise in the area of Nam Paten, for water resources facilities, an animal husbandry state farm, and agro-chemical laboratories. The "Intersputnik" land-based space communications system has begun to function. A medium-wave radio station was built.

In the Korean People's Democratic Republic the 100-megawatt No. 14 and No. 15 Energy Blocks went into operation at the Pukch'ong Thermal Electric Power Station which is being expanded. Equipment was delivered for the 150-megawatt Ch'ongjin Thermal Electric Power Station, and for coal mines in the area of Anju. Cold rolling began in the cold rolling shop at the metallurgical plant imeni Kim Chak. A motor vehicle battery plant and a microelectric engine plant which were built on a compensation basis went into operation in Paengnyong. The construction of a bearing plant continued there. An ammonia plant went into operation.

In Yugoslavia the No. 3 converter (300,000 tons of steel a year) went into operation at the metallurgical combine in Smederevo, and the No. 6 coking battery (700,000 tons) went into operation at the Zenice Metallurgical Combine. Construction work was completed on the Vares Concentrating Enterprise with mines for the extraction of 300,000 tons of lead and zinc ores. Operations were begun on 210-megawatt energy blocks at the Betola Thermal Electric Power Station and the Plevle Thermal Electric Power Station, the first stage of a petroleum refining plant in Skopje, a mazut vacuum distillation unit and a bituminen unit at the petroleum refining plant in Pancevo and a grain elevator. Construction work was conducted on the Dzherdap-II on the Danube (216 megawatts).

The output of many of the cooperation objects enters into the products list of the commodity exchange of the socialist countries. In two years of the 5-year plan imports from such objects into the Soviet Union exceeded 6.7 billion rubles, including 3.7 billion rubles in 1982, which comprised around 12 percent of USSR imports from these countries. In two years 960 million rubles worth of output came to the USSR from Bulgarian cooperation objects, including 880,000 tons of calcinated soda, 48,000 electric cars, 174,000 electric hoists, 68,000 mowing machines, around 8,500 T-54B tractors, and almost 50 million rubles worth of

medicine. Imports from Mongolian cooperation objects during the same period came to almost 300 million rubles (copper-molybdenum concentrate, fluorite, sheep's wool, blankets, wool plaids and rugs, and others). Aluminum and ball bearings are imported from Hungary, sugar and nickel cobalt concentrate from Cuba, steel petroleum piping, and calcinated and caustic soda from Romania, and tin, hard coal, and citrus fruits from Vietnam. Output from compensation objects has begun to be received from the Korean People's Democratic Republic--enameled wire and automobile batteries, and high grade steel, zinc, and cement. Aluminum, lead, and zinc are imported from Yugoslavia, and tin concentrate from Laos.

New Projects in the Developing Countries

Last year in Algeria the No. 1 converter with a capacity of 470,000 tons of steel, the No. 2 blast furnace with a capacity of 1.2 million tons of iron, and a coking battery with a capacity of 600,000 tons of coke a year were put into permanent operation at the metallurgical plant in El'-Khadzhar. Cooperation has begun in the construction of gas pipelines. Assistance was given in the construction of the No. 3 dam in the Draa-el'-Mizin area, and in the performance of exploration water drilling.

In Angola petroleum bases were built in Malange and Portu-Amboin, irrigation work was done in a number of provinces, and help was provided in the development of fishing. Cooperation agreements have been signed for the construction of the 500-megawatt Capunda Hydroelectric Power Station, and on the overall development of the province of Malange including the creation of three cotton growing state farms, irrigation, and electrification and water supplies for rural areas.

In Afghanistan a combined motor vehicle-railroad bridge across the Amudar'ya in the area of the port of Jeyretan went into operation, as did a complex of trans-shipment base installations in the area of this port, several petroleum bases and mills, a motor vehicle servicing enterprise, and a "Lotos" type satellite communications station of the "Intersputnik" System. The expansion of the thermal electric power station in Mazari-Sharif was completed. Reconstruction work was performed on a motor vehicle repair plant in Kabul, and the USSR State Border-Kholm-Mazari-Sharif Electric Transmission Line was built. Vocational and technical education instructional centers were outfitted with equipment.

In India work continued to expand the metallurgical plants in Bkhalai and Bokaro to four million tons of steel annually each. Construction work is being extended on the first stage of the metallurgical plant in Vizakhhapatnam which has an annual capacity of 1.2 million tons of steel. The 100,000 ton-aluminum plant in Korba was put into operation at its full cycle. The petroleum refining plant in Matur with a capacity of six million tons of raw petroleum a year went into operation, drilling work was completed on the 5,000-meter-deep "Rokiya-1" Petroleum Well in the state of Tripura, and repair work was completed on four idle petroleum wells in the state of Gujarat. A contract has been signed for the construction of the first stage of the 1,260-megawatt "Vind'yachal" Thermal Electric Power Station. Planning work is being done on coal pits with

an annual capacity of 26 million tons. Assistance was provided in the construction of the subway in Calcutta.

In Iraq operations were begun at a large petroleum base in Novyy Karkh, and at objects of the second stage of a water pumping system at the petroleum deposit in Rumeyla; equipment deliveries were completed for the 65-kilometer junction canal from the Tartar Lake to the Tigris River. Construction is continuing on a dam which is a part of a hydroenergy complex on the Euphrates River, and on the Mishakhda-Karkh Petroleum Pipeline, and drilling work is being conducted at the Zapadnaya Kurna Deposit.

Cooperation has continued with Iran in the expansion of the Isfahan Metallurgical Plant from 550,000 to 1.9 million tons of steel a year. The 800-megawatt Isfahan Thermal Electric Power Station and the 1,260-megawatt Ramin Thermal Electric Power Station are being built. Construction work was performed on objects at the coal base of the Isfahan Metallurgical Plant. The electrification of [Dzhul'fa]-Tabriz Railroad was completed. Grain elevators were commissioned in Meke and Borudzherd.

In Cambodia assistance was provided in the restoration of energy supplies for cities and industrial centers, the restoration of ghee plantations (on a compensation basis), the organization of a rice selection and seed growing station, the growing of cotton, and supplying equipment to the state construction organization for the restoration and construction of irrigation installations. The higher technical school and a hospital in Phnom Penh were restored, and a vocational and technical school was created.

In Libya construction work was completed at the "Tazhura" Atomic Research Center, and with the assistance of Soviet specialists its operations have begun. Work has continued on the construction of the Marsel'-Brega-Misurata (570 kilometers) Gas Pipeline, operations drilling for petroleum was performed, and electric transmission lines with a total length of around 460 kilometers were built.

In Mozambique a ship repair complex was put into operation. Assistance was given in the development of a general plan for the use of the water resources and the overall agricultural development of the Limpopo River Valley, and in the organization of three cotton growing state farms; geological surveying for coal was conducted.

In the People's Democratic Republic of Yemen work is being completed on the construction of a construction base at the thermal electric power station in Aden with a distilling complex. Geological surveying work is being conducted in a number of areas of the country. A fish port and a hospital were built, fishing vessels supplied, canals, dams, and water collection dam distributors were built, and land irrigation wells were drilled and built up.

In Nigeria the chief attention was devoted to the carrying out of commitments connected with the construction on contracting terms of the metallurgical plant in Abeokuta with the annual capacity of 1.3 million tons of steel.

In Pakistan construction work was continued on a metallurgical plant in Karachi. In March 1983 there was a festive start-up of two converters with a total capacity of 1.1 million tons of steel a year.

In Syria a dam was built in the lower reach of the Euphrates Hydroengineering Center; electric transmission lines with a total length of 550 kilometers were being built, and around 360 kilometers were completed during the year. Working traffic has been opened on the Damascus-Homs Railroad. The construction of other transportation objects continued. Assistance was provided in the building up and operation of petroleum fields. The irrigation and opening up of lands on the Mesken Massif was concluded. The construction of a dam on the Severnyy Kebir River continued, and in November it was crossed.

In Turkey equipment deliveries were completed for the expansion of the Iskenderun Metallurgical Plant from one to two million tons of steel annually. Commitments were carried out on cooperation in the joint construction on parity principles of a dam and a 525 million cubic meter water reservoir on the Akhuryan (Arpachai) border river, and the water reservoir has begun to be filled. A 200-megawatt thermal electric power station based on lignite coals is being built, and the petroleum refining plant in Aliaga is being expanded from five to ten million tons of petroleum annually.

In Sri Lanka operations were begun at an electro-steel smelting shop consisting of an electro-furnace and an MNLZ [expansion unknown] with a capacity of 65,000 tons of steel annually at the metallurgical plant in Oruvel.

In Ethiopia a petroleum refining plant in Assab is being reconstructed, and petroleum and gas prospecting is being conducted in Ogaden. Petroleum bases have gone into operation in Assab and Shashamann. Equipment deliveries have been completed for 50 grain warehouses with a total capacity of 206,000 tons; and 19 grain warehouses with a capacity of 95,000 tons have been put into operation. Assistance is being provided in the construction of five refrigerators, and several instructional centers. A cooperation agreement has been signed in organizing the assembly of tractors in Ethiopia from parts and units supplied from the USSR.

Important economic objects have been built or are being built in other developing countries.

In Bangladesh a new gas deposit near Dakka has been opened.

In Egypt equipment deliveries have continued for the Helwan Metallurgical Plant, the expansion of the aluminum plant in Nag-Hammadi from 100,000 to 166,000 tons of aluminum a year, the electrification of rural areas, and the irrigation and opening up of desert lands. In the Yemen Arab Republic Pier No. 5 went into operation in the Port of Al-Hudaydah, and a cement plant was built. In Jordan an instructional center went into operation, and central areas were electrified. In Guinea-Bissau two diesel generators went into operation. In Guinea work continued on the expansion of a bauxite mining complex from 2.5

to 3 million units a year. In the Congo construction was begun on a mine to supply raw materials for the concentrating enterprise in Mfo ati which produces lead concentrate. In Mali a gold mining enterprise was under construction. In Madagascar an instructional center for agricultural mechanization specialists went into operation, and a milling combine was under construction. In Tanzania corn and cotton state farms are being created. In Tunis a canal and dams are being built, and the National Technical Institute is being expanded. Mexico is being given assistance in the organization of the production of glass insulators. In Nicaragua instructional centers are being outfitted with Soviet equipment.

During two years of the 5-year plan objects built in the developing countries with USSR assistance provided 85 million rubles worth of goods, including 435 million in 1982, or around nine percent of the imports from the developing countries of Asia and Africa. In two years around 4.6 billion cubic meters of natural gas were imported from Afghanistan, as were carbomide, citrus fruits, and oil; 3.8 million tons of bauxites were imported from Guinea; more than 1 million tons of petroleum from Syria; around 300,000 tons of iron from Algeria; 6,500 tons of cotton yarns from Egypt; and heavy machine building output and mining equipment is imported from India. Natural rubber is obtained from Cambodia, and lead and zinc concentrate from the Congo.

In payment for Soviet equipment sets the developing countries are also supplying nonferrous metal ores and concentrates, natural rubber, cotton, jute, yarn, fabrics, knitted goods, leather raw materials, leather shoes, rice, coffee, cocoa beans, tea, spices, citrus fruits, and other goods.

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USSR-CEMA TRADE

COORDINATING CEMA STATISTICAL DATA

Moscow VESTNIK STATISTIKI in Russian No 1, Jan 83 pp 41-49

[Article by L. Antsiferova, division chief, Administration for Foreign Countries' Statistics of the USSR Central Statistical Administration: "A New Direction in International Comparisons of the CEMA Member Countries"]

[Text] The comparative measurement of the value indicators of the economic development of various countries is one of the most important sections of international statistics. Especially important are comparisons of this kind which are conducted within the CEMA in order to provide comparable information for the coordination of long-term economic plans, the forecasting of the development of the most important economic branches, the comparison of long-term special-purpose programs, and an analysis of the gradual coming together and equalization of the economic development levels of the countries of the socialist commonwealth.

International comparisons of the most important value indicators of the economic development of the CEMA countries have been conducted regularly since 1959 with a periodicity of approximately once every five years within the framework of the CEMA Permanent Commission on Cooperation in the Field of Statistics. This work is fostering the further development of international statistics.

A deeper overall analysis of the economic development of the socialist commonwealth countries, and an expansion of cooperation in the field of planning (forecasting and the coordination of economic plans, the development of long-term special-purpose programs) is making it necessary to broaden the set of comparable indicators and the methods of measuring them against one another.

The June 1982 Moscow Scientific Conference of specialists in the theory and methodology of international comparisons of the most important value indicators of the economic development of the CEMA countries and the Socialist Federated Republic of Yugoslavia made it possible to examine a large circle of problems connected with a scientific substantiation of the choice of a system of indicators, and with improving the methodology and organization of full international comparisons. There was also a discussion of the use of simplified comparison methods, including extrapolation and methods of many-sided comparisons. The development of new calculation methods will make it possible to increase the precision of comparison results, and also to obtain additional information for a comparative analysis of the economies of the CEMA member countries.

In the document which generalizes the results of the scientific conference there is a formulation of the basic directions for improving work in the field of international comparisons and recommendations which are of practical value, particularly for an international comparison of the value indicators of the CEMA countries and Yugoslavia according to the 1983 reporting data.

The methodology of comparing the most important economic development value indicators of the CEMA countries, and also the price index method which is used for reevaluating the national data of the countries being compared in a comparable currency has been discussed widely on the pages of this journal.* In the present article the author examines the methods of extrapolation and of many-sided comparisons (the method of medium structures and the method of international medium prices) which were tested during experimental work on an international comparison of the value indicators of the CEMA countries according to 1978 data.

Extrapolation (interpolation)--the application of the results of comprehensive international comparisons to subsequent (previous) years--is one of the most important problems in the field of comparisons.

International comprehensive comparisons embrace a wide range of value indicators: national income, the consumption fund and the accumulations fund, capital investments, gross (corrected) industrial output, and gross and final agricultural output. This is a large amount of labor consuming work which is based on a detailed breakdown of comparable value indicators into recalculated groups, the selection of commodity-representatives, and the coordination of the prices of these commodities with regard to their technical and economic characteristics.

In view of their labor intensiveness and great cost, international statistical comparisons for a wide program involving the selection of an enormous number of commodity-representatives and their prices are conducted, as has already been pointed out, approximately once every five years. For this reason, the necessity arises for obtaining analogous information for the intermediate years. The relationships between the economic development levels of the CEMA countries during the periods between comparisons are determined by computation methods, one of which is extrapolation (interpolation). Henceforth, we shall say only extrapolation, since its methods apply equally to interpolation.

There are several methods of extrapolation. In choosing any one of them it should be kept in mind that the basic goal of extrapolation is to obtain data which characterizes the levels relationships and changes in them for comparable indicators during the intermediate years resulting from the continuous development of the national economies. In extrapolating the results of a comparison

*V. Martynov, "On the Question of the Use of the Extrapolation Method in International Statistics," VESTNIK STATISTIKI, No 9, 1977; Ye. Mashikhin and others, "The Use of the Sample Method in International Comparisons," VESTNIK STATISTIKI, No 8, 1978; Yu. Ivanov, "On the Demands Made Upon the Indices of the International Comparisons of Value Indicators," VESTNIK STATISTIKI, No 12, 1979.

consideration must also be given to the influence of three factors which determine changes in the relationships between economic development levels: the dynamics of quantities, structural changes, and price dynamics.

In the practice which has existed up to the present time use has been made of an extrapolation method which is based on national physical volume indices calculated according to the methodology used in the statistics of the countries being compared. Calculations by this method were performed by the statistics division of the CEMA Secretariat on the basis of 1973 international comparisons data for the period 1970-1975, and 1978 data for the period 1975-1980. Comparable value indicators calculated in national prices and in USSR prices for 1973 and 1978, and also the national physical volume indices for these indicators were used as the initial data for the above extrapolation.

Due to the practical difficulties of obtaining physical volume indices of value indicators at the level of the smallest recalculated groups for which the comparisons were conducted, the extrapolation was done for large analytic groups. It is assumed that national methodologies for computing physical volume indices for the performance of an extrapolation for these groups does not differ significantly from the methodology which has been accepted for international comparison. This circumstance does not have an important influence on the extrapolation data.

The extrapolation of comparison results which are expressed in national prices with the help of dynamics indicators which are computed in the same prices is a theoretically justified method. However, to use the same dynamics indicators for an extrapolation of national value indicators which are recalculated for the purpose of international comparisons into USSR currency is not completely correct, since they have a different system of comparison measurers. In order to do this it would be necessary to make a special calculation of the indices which characterize changes in the physical volume of a value indicator of the country being compared in constant USSR prices, and for the USSR--in the constant prices of the given country.

In calculating the dynamics indicators of the country being compared the USSR indicator structure is used, and in calculating them for the USSR--the indicator structure of that country. Even if this difficult work is performed, the economic development level relationships for a given year will be obtained after extrapolation on condition that the structure of the economy and of its weight remain unchanged; that is, the same as in the year of the detailed international comparison.

In our view, the most correct extrapolation method is the one based on a study of price movements in the countries under comparison.

The comparative levels of the economic development of countries can be disclosed on the basis of the actually developed economic structure of each country with the help of a system of value indicators expressed in current prices and having a single content for the countries being compared. The value amounts of these unified indicators which have been calculated in the national currency are

reevaluated in rubles, while the value amounts of the USSR indicators are re-evaluated in the currency of the pertinent countries with the help of price coefficients which are obtained as a result of the international comparison and which are corrected in the beginning for the national price indices. In other words, it is not the results of the international comparison themselves which should be extrapolated, but only the coefficients which characterize the price relationships.

The advantage of this extrapolation method compared to the method based on physical volume indices consists in the possibility of obtaining for the extrapolation years data in comparable currencies which reflect the economic structures of the countries in the actual prices of the given years. This circumstance approximates the economic content of the extrapolation results to the results of detailed comparisons.

The CEMA Permanent Commission on Cooperation in the Field of Statistics commissioned the USSR delegation to perform experimental calculations on an extrapolation method using price indices. Toward this end, the Administration of Foreign Countries' Statistics of the USSR Central Statistical Administration has developed a methodology which was agreed upon at the conference of CEMA statisticians.

The use of this method is connected with definite practical difficulties in the provision of the basic information; for this reason, experimental calculations were performed only for 1975 and 1980.

Taken as the basic data for these calculations was data on the value amounts of the country indicators being compared in national currencies and in the actual prices of each year of the extrapolation computed by the countries in accordance with the methodology of detailed comparison, on national price dynamics indices by groups of pertinent indicators, and on the price relationships obtained for the groups for each indicator being measured as a result of an international comparison based on the 1978 data. An extrapolation was conducted for all of the indicators being compared which were in the detailed comparison program. Toward this end, the countries carried out the necessary aggregating and correcting of national data in order to achieve their comparability in accordance with the adopted methodology.

In keeping with practical considerations, for certain indicators amalgamations were made of the recalculated nomenclatures for which the group price indices computed for each indicator in the detailed direct paired international comparisons (country-USSR) on the basis of 1978 data were also aggregated. The price relationships which were obtained were then extrapolated with the help of indices expressing the dynamics of national prices for the groups of pertinent indicators.

On the whole, the extrapolation of the 1978 price relationships is expressed by the formula:

$$\begin{aligned} \text{для страны} &= \frac{P_0^s}{P_0^a} \cdot \frac{\frac{P_1^s}{P_0^s}}{\frac{P_1^a}{P_0^a}} = \frac{P_1^s}{P_1^a}; \\ \text{для СССР} &= \frac{P_0^s}{P_0^a} \cdot \frac{\frac{P_1^s}{P_0^s}}{\frac{P_1^a}{P_0^a}} = \frac{P_1^s}{P_1^a}. \end{aligned}$$

where $\frac{P_0^s}{P_0^a}, \frac{P_1^s}{P_1^a}$ -- price relationships of an amalgamated group computed for the country and USSR in accordance with the Laspeyres formula;

$\frac{P_0^s}{P_0^a}, \frac{P_1^s}{P_1^a}$ -- national price changes for USSR and country.

The price relationships computed in this way for the extrapolation years were then used to recalculate the value amounts of the indicators of the countries being compared which were taken in the actual prices of the pertinent years and in national currencies.

National data on the value amounts of the indicators being compared in current prices which was presented in conformity with the methodology developed for the corresponding recalculated groups was the basis for weighing the amalgamated group price indices with the help of which the value indicators in national currency were revalued in comparable currency. As a result, for each country participating in the comparison comparative value amounts were obtained in the actual prices of the corresponding years, and the relative magnitudes characterizing the relationships between the economic development indicators were computed.

During all of the years of the extrapolation this absolute and relative data reflected the results of economic development with a view toward the influence of the three basic factors. The use of price dynamics indicators in the extrapolation calculations makes it possible to create a system of continuous (annual) comparisons of the economic indicators of the CEMA countries on the basis of detailed comparisons in accordance with the following technological scheme:

every year delegations from the countries present data on the value amounts of the compared indicators in national currency in the prices of the corresponding years, and on price changes for these indicators in relation to the year of comparison;

the information which is obtained is put into a computer memory, and the value amounts are recalculated in a single currency in accordance with programs involving the use of price indices which have been developed for detailed comparisons;

the output information in this case will coincide in form with the output information of the detailed comparisons (with the amalgamation of the recalculated groups) and include tables with the relationships of the indicators, their structure, and so forth.

The new direction in improving the methodology of international comparisons is the testing of methods of multilateral comparisons. In accordance with the work plan of the CEMA Permanent Commission on Cooperation in the Field of Statistics, the USSR delegation, jointly with the delegation of the Czechoslovakian Socialist Republic and the CEMA Secretariat, developed proposals and conducted experimental calculations for the purpose of testing multilateral comparison methods. Specific demands are made upon the results of the comparison--criteria for the choice of multilateral comparison methods. These demands are formulated in relation to whether comparisons are being made only for one or another pair of countries, or for a certain group of countries at the same time.

As is known, at the present time detailed comparisons of the most important value indicators of the CEMA countries are made by the index method which is based on the use of commodity-representatives and which makes it possible to collect and process data for a wide range of identical and analogous commodity-representatives in accordance with the "country-USSR" paired comparisons scheme. The results of direct paired comparisons make it possible to obtain a large amount of economically valid comparable information.

The indices which are obtained by means of direct paired comparisons meet the following important requirements:

the characteristic nature of the results (this means that the results of a comparison of the indicators of two countries must not be influenced by the prices or value amounts of indicators which are used as weights in calculating the corresponding indices of other countries which participate in the comparisons);

the internal consistency of the indices of prices, physical volume, and value (the indices satisfy the demand for the coordination of the indices of price, physical volume, and value);

the ability to add the results of the calculations for an indicator as a whole and its components (the meaning of this requirement is that the total amount of a compared indicator after its recalculation in a comparable currency has to be equal to the amount of the elements which comprise it calculated in the same currency).

However, if the goal of a comparison is to obtain coordinated indices for an entire group of CEMA countries being measured against one another, then the "country-USSR" method of direct paired comparisons proves to be insufficient. It does not meet the requirement for the invariance of the indices (independence from the choice of the country taken as the base one) and their transitivity (the invertibility of the indices); that is, a logical consistency in the

indices which excludes contradictory results. In addition, comparison results for a pair of countries, neither of which is the base one, are obtained indirectly on the basis of the use of data which is calculated when these countries are compared with the USSR. These requirements are satisfied to an equal extent by multilateral comparisons methods. It is for this reason that it becomes necessary to conduct experimental calculations to test multilateral international comparisons methods which make it possible to obtain international indices that meet a number of important requirements of an analytic character.

In choosing these methods consideration was given to the demands which are made upon the performance of comparative measurements of the economic indicators of the CEMA countries, and also to the possibility of making maximum use of the statistical materials of the direct paired value indicator comparisons of these countries for the 1978 data.

Two multilateral comparisons methods were used to achieve the experimental calculations:

the method of average structures (for the indicators "personal consumption of the population" and "gross (corrected) industrial output");

the method of international average prices (for the indicator "gross agricultural output").

Multilateral comparisons methods are used in international gross national product comparisons which are performed by the U.N.

The method of average structures presupposes the computation of an international price index through the averaging of the structure of the indicator being compared. As is known, in the computation of a summary price index the results are influenced by the national specific nature of the structure of the indicator. In a paired comparison an international summary price index can be calculated for the structure of both the former country and the latter. In multilateral comparisons it is correct to use as weights the indicators of an averaged structure which is the same for the entire group of countries being compared, a procedure which to a certain extent eliminates the influence of differences in their economic structures.

In the comparative measurement of the personal consumption of the population and gross (corrected) industrial output by the method of average structures use was made of a matrix of group price indices of a direct paired comparison for 1978, each of which is an average geometrical mean from individual price indices which characterize the price relationships between commodity-representatives, and also the value amounts of the recalculated commodity groups and of the indicator as a whole in national currency on the basis of which the shares of each recalculated group in the total amount of a country's indicator and the average structure of this group for the countries being compared were calculated.

The average price indices of the summary groups for a multilateral comparison by the above method were obtained by means of averaging the group price indices of the paired comparisons. The averaged price indices are the geometric mean weighted for the average structure of the recalculated group of the indicator of the countries being compared. The price indices were averaged on all of the levels of the aggregation of the indicator. Thus, if the structure of the value indicator "personal consumption of the population" has six levels of aggregation, it would be necessary to obtain results for all of these levels. And it was the average indices obtained for each level of aggregation that were used to reevaluate the personal consumption of the populations of the countries in a comparable currency for all six levels and for the indicator as a whole.

The outcome of the multilateral comparison by the method of average structures showed that the results of a comparison of the personal consumption of a population by this method proved to be close to the results of paired comparisons which were regarded as the criterion for evaluating the experiment's calculations. The industrial output indices which are calculated on the basis of the method of average structures differ substantially from the indices obtained with direct paired comparisons. In order to analyze them, additional calculations were performed on the indicator "gross (corrected) industrial output" for a group of European CEMA countries which have a similar production structure. This made it possible to draw the conclusion that the method of average structures can be used and give satisfactory results with multilateral comparisons of the value indicators of countries which have a relatively homogeneous production (consumption) structure.

The virtue of the method consists of the fact that in contrast to the indices which are obtained by means of paired comparisons, the indices which are calculated with its help meet the requirements of the transitivity (reversibility) of the indices. This method of multilateral comparison ensures the invariance of the indices (independence from the choice of the country adopted as the base one) only on the level of aggregation. However, the results of a multilateral comparison by this method do not meet the requirement of the ability to be added (the value amount of the indicator has to be equal to the amount of the elements which comprise it), since the value amounts of the indicators being compared at the different levels of aggregation are obtained by means of their direct reevaluation with the help of average price indices, and not as the total of the amounts of all of the primary recalculated groups which make up the aggregated group.

Along with calculations of average structures by the above-described method, experimental multilateral comparisons calculations were performed on the basis of the method of average international prices. International prices have to be a monetary expression of socially necessary (average) labor expenditures in the world economy as a whole, or in a group of countries being compared. K. Marx wrote: "In every country there is a certain average intensity of labor. . . . The average intensity of labor changes from country to country; in one place it is larger, in another smaller. These national averages form,

in this way, a scale whose unit of measurement is the average unit of labor in the entire world."*

Thus, although the level of socially necessary labor expenditures is formed within each country, as the international division of labor grows and as the process of world economic integration expands the action of the lower value goes beyond the borders of a single country. Average international prices which are obtained through calculations and which, in principle, are proportional to the average expenditures of working time for the production of the output of given countries could be the monetary expression of the socially necessary expenditures of labor of a group of countries under comparison.

Average international prices may be determined on the basis of averaging national prices which correspond to the socially necessary labor expenditures in the countries. The averaging of national prices expressed in national currencies does not presuppose a direct totalling of the prices of the different countries. This is possible only after adducing them to a single base, after their recalculation in a single currency, and, namely, in an average international currency.

The given method provides for the computation of international average prices adduced to a single scale with the help of coefficients which reflect the relationships of national currencies to an average conventional currency for the countries. The coefficients for the recalculation of national currencies into an average international currency are determined as the relationship of the value amount of a country's indicator calculated in international prices to its value amount in the national currency. Two equations are made up in order to find these indicators. After uniting them into a system and solving it, one may at the same time obtain the coefficients for the recalculation of the value amounts in a comparable currency and the average international prices:

$$\left\{ \begin{array}{l} \bar{p}_m = \frac{\sum_{j=1}^N I_j Q_{mj}}{\sum_{j=1}^N q_{mj}}; \\ I_j = \frac{\sum_{m=1}^M \bar{p}_m q_{mj}}{\sum_{m=1}^M Q_{mj}} \end{array} \right.$$

where \bar{p}_m --average international price of commodity m ;
 I_j --coefficient for recalculation of country j currency into average international currency;
 Q_{mj} --value amount of commodity m of country j in national currency;
 q_{mj} --physical amount of commodity m of country j .

The data of the 1978 paired comparisons for the indicator "gross agricultural output" were used for the performance of the experimental calculations. In view of the circumstance that the paired comparisons do not contain information about prices and quantities for each commodity, a certain conventionality was

*K. Marx and F. Engels, "Works," Vol 23, p 571.

permitted in the initial information for the multilateral comparison by the method of average weighted international prices.

The group territorial price indices "country-USSR" were used as the commodity price, and the value amounts of recalculated commodity groups in USSR currency were accepted as an analog for the physical volume of a commodity.

Utilizing the existing data, we performed the necessary transformations, after which the system takes on the following appearance:

$$I_m^{CCCP} = \frac{\sum_{j=1}^N Q_{mj} \cdot \frac{\sum_{m=1}^M I_m^{CCCP} \cdot T_m^{jCCCP}}{\sum_{m=1}^M Q_{mj}}}{\sum_{j=1}^N T_m^{jCCCP}}$$

where I_m^{CCCP} --price index "international currency in relation to USSR currency" for the recalculated m group;
 T_m^{jCCCP} --value amount of the recalculated m group of country j in USSR currency;
 Q_{mj} --value amount of the recalculated m group of country j in the national currency.

The disaggregation was performed on the level of the smallest recalculated groups of the nomenclature of the comparison of 1978 gross agricultural output. For these recalculated groups a system of linear equations $(M + N)$ consisting of 119 equations was solved, since the number of primary recalculated groups was 110, and the number of participant countries in the comparison was 10. The number of equations was calculated according to the formula $(M + N - 1)$.

As a result of the solution of the system of linear equations for each recalculated group, the price indices "average international currency in relation to USSR currency" were obtained. Making use of these indices, and also of the group price indices which were obtained from the paired comparisons "USSR currency in relation to national currency," the "average international currency in relation to national currency" price indices were calculated for all of the countries being compared and were used for reevaluating the value amounts of the recalculated commodity groups into an average international currency.

The value amounts of the primary recalculated groups in the average international currency were totalled at all of the levels of the aggregation: subgroup, group, enlarged group (that is, cropping and animal husbandry), and the indicator as a whole.

The indices which have been obtained meet the requirements of transitivity and internal consistency. The method of international average prices ensures the invariance of the indices, which makes it possible to select any country as the base one. In contrast to the average structures method, this method meets the demand of the ability to be added up at all of the levels of aggregation.

In the calculation of average international prices as weights the value amounts of the countries' indicators are used with the result that we obtain an average level of prices which is close to their level in the USSR. The price indices calculated by the method of average international prices make it possible to obtain a complete intercoordination of the value indicators calculated in the "international currency," and the relationships between their amounts.

The experiment which has been conducted has made it possible to provide in practice a more precise evaluation of the virtues of the proposed methods, and of their shortcomings and the possibility of their further use. The testing of multilateral comparisons methods makes it possible to continue experimental work with the aim of obtaining a more perfected method of multilateral comparisons which would most fully meet the analytic requirements being made at the present time upon the results of international comparisons and which could be included in the basic program of detailed international comparisons along with the direct paired comparisons method.

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USSR-EAST EUROPE BILATERAL TRADE

CSSR-USSR TRADE RESULTS, PROSPECTS

Moscow EKONOMICHESKAYA GAZETA in Russian No 7, Feb 83 p 20

[Statements by CSSR Trade Representative to the USSR F. Mares, CSSR Deputy Trade Representatives to the USSR I. Levora and L. Balvin at a press conference in Moscow: "Fruitful Cooperation"; date not specified]

[Text] The CSSR trade representation held in Moscow the tradition press conference for Soviet journalists, which was devoted to the results of the foreign economic relations between Czechoslovakia and the Soviet Union in 1982 and the prospects for 1983.

CSSR Trade Representative to the USSR F. Mares:

Last year, 1982--the year of the 60th anniversary of the formation of the Union of Soviet Socialist Republics--the peoples of the CSSR and the USSR, who are consistently implementing the grand decisions of the 16th CPCZ Congress and the 26th CPSU Congress, rose to a higher level of socioeconomic development.

At the same time 1982 passed under difficult international conditions, when the ruling circles of the United States attempted in every way to impede the progressive development of the socialist states. Practical experience, however, showed again that the countries of the socialist community are successfully repulsing such attempts and are providing the necessary international conditions for the further growth of their economy. Czechoslovak-Soviet cooperation is also making a worthy contribution to this.

During the past year the integration processes between the economies of our countries intensified even more. The protocol on the commodity turnover and payments between the CSSR and the USSR for 1982, as well as the other adopted interstate obligations were fulfilled, and with respect to some items were exceeded.

In CSSR exports the deliveries of machines and equipment increased again. The fulfillment of a number of large contracts was continued. Among them are the deliveries of equipment for the Kvatro 3000 rolling mill for the Zhdanov Metallurgical Plant imeni Il'ich and the Krivoy Rog Metallurgical Combine.

About 1,400 milling machines, approximately 400 units of forging and pressing equipment, 1,800 lift trucks and many other types of equipment were exported. Special attention was devoted to deliveries of products for start-up projects.

The deliveries to the USSR of Czechoslovak automotive equipment are among the traditional deliveries. Within the framework of the specialization and cooperation of production 560,000 pair of headlights were shipped for Soviet VAZ and KamAZ trucks. The deliveries of Pilstyk motors, which are designed for Soviet BelAZ trucks, were continued.

In 1982 the USSR received from our country the 10,000th streetcar, the 4,000th CME-3 diesel locomotive and the 2,000th electric locomotive. The Czechoslovak electric locomotives, which have been delivered for a quarter century already, were developed and are being modernized in close cooperation with Soviet scientific institutes and the USSR Ministry of Railways.

Last year the 150,000th Konsul typewriter, which is used as peripheral equipment for computers, was shipped to the USSR.

We are devoting much attention to the supply of Czechoslovak equipment in the Soviet Union with spare parts and service.

Czechoslovakia is among the largest suppliers of consumer goods to the Soviet market. Thus, last year approximately 30 million pair of footwear, furniture worth more than 100 million rubles, garments worth 110 million rubles and various fabrics and knitwear worth 90 million rubles were delivered.

The Soviet Union, in turn, is the largest supplier of goods for Czechoslovakia. Thus, in 1982 the deliveries of Soviet equipment for the first block of the second nuclear electric power station in Jaslovské Bohunice were completed. It will be put into operation in the fall of this year. The deliveries of equipment for the second block of the nuclear electric power station in Dukovany were continued. A shop for the continuous teeming of steel was put into operation at the East Slovak Metallurgical Combine in Kosi. The deliveries for the pulp plant in Paskova were completed. The deliveries for the Prague Subway are being continued. Various mining equipment for the deep mining of coal, construction and road machinery and other equipment were also delivered.

Industrial consumer goods, which enjoy great popularity in Czechoslovakia, for example, 4,500 passenger cars, 20,000 household refrigerators, 50,000 bicycles, 160,000 transistor radios, 90,000 color televisions, 110,000 electric razors and a large number of timepieces and still and movie cameras, were imported from the USSR.

The deliveries from the USSR of the basic types of raw materials, fuel and energy--petroleum, natural gas, bituminous coal, iron and manganese ore, fertilizers, asbestos, cotton and others--are of enormous importance for the Czechoslovak national economy. In cooperation with the Soviet suppliers our efforts were aimed at the fulfillment of the planned volumes, although in some instances certain difficulties and underdeliveries also occurred.

The participation of Czechoslovakia in the construction of projects jointly with the Soviet Union has become a most important area of our cooperation. In 1982 the deliveries of products from the CSSR to the USSR for the Khmel'ni'skiy Nuclear Electric Power Station and the Mzyr Nutrient Yeast Plant were continued. Within the framework of the agreement on ferriferrous raw materials our country is ensuring deliveries of cone crushers, diesel locomotives, trucks, complete sets of equipment

for a hospital and polyclinic in Krivoy Rog, other machines and equipment, as well as a certain amount of consumer goods.

In connection with the volumes of foreign trade freight, which have increased sharply recently, for a number of years now difficulties have been observed in the case of rail traffic in both directions. The more vigorous exertion of joint efforts is necessary here.

The protocol on the commodity turnover and payments for 1983, which was signed on 1 December 1982, is affording new great opportunities for the further development of cooperation between our countries. The volume of Czechoslovak-Soviet trade will increase during the year by 12 percent and will exceed 10.5 billion rubles. In the protocol much attention is devoted to questions of the intensification of the specialization and cooperation of production, which is being carried out on the basis of the corresponding long-term program, which was signed by our countries, of the increase of the quality and technical level of industrial items.

CSSR Deputy Trade Representative to the USSR I. Levora:

The adoption of the Food Program in the USSR and the implementation of measures on the further development of the agro-industrial complex in the CSSR are providing a new stimulus for the expansion of the trade between our countries in various types of agricultural machinery, machines and equipment for the food industry, mineral fertilizers and equipment for their production. The CSSR and the USSR annually deliver to each other many tens of millions of rubles of these products.

In particular, in 1983 Czechoslovakia will import from the Soviet Union 315 tractors, hundreds of combines for the harvesting of corn, flax and sugar beets, other agricultural machinery, as well as a considerable amount of potassium and nitrogen fertilizers.

In turn, our country is increasing the deliveries to the Soviet Union of tractors, of which the USSR annually buys several thousand from us. The deliveries of haulm gathers, mowing machines and hop pickers are increasing. The shipments of Czechoslovak equipment for the plants for the production of mineral fertilizers in Angarsk, Nevinnomyssk and other cities are being continued.

The exports from the CSSR to the USSR of various equipment for the storage of agricultural products are increasing. Soon 2 grain elevators with a capacity of 25,000 tons each will be erected from Czechoslovak metal components near Odessa and Uzhgorod. These are the first steel elevators of the series being delivered to the Soviet Union. Moreover, with the use of various Czechoslovak equipment (for example, driers, conveyors) capacities for 10 million tons of grain will be modernized in the USSR.

The reciprocal deliveries of equipment for the food industry are increasing. Since 1979 the Pardubice Plant has already shipped to the Soviet side about 90 new baking ovens, which consume 20 percent less energy than the former units, while in all 80 such ovens will be delivered. The enterprise from the city of Chotebor will deliver to the USSR 16 plants for the production of 110 tons of dry milk a shift, 24 lines for the production of butter, equipment for the production of Swiss cheese and other equipment.

In addition to the plants for the output of 150 million running meters of aluminous casings a year, which have already been built in Leningrad and Priluki, the delivery of three more such plants is being planned; 86 lines for the production of sausages are being delivered.

CSSR Deputy Trade Representative to the USSR L. Balvin:

In conformity with the agreement between the CSSR and the USSR, which was concluded in July 1982, the Czechoslovak side has begun the preparation of the construction of the fourth line of the gas pipeline for the transportation of Soviet natural gas to the countries of Western Europe. Since the first transit line went into operation on the territory of Czechoslovakia in 1972, the capacity of the entire transit system for the transportation of Soviet gas across the territory of the CSSR has increase substantially. With the placement into operation of the new line the capacity of the transit system for the feeding of Soviet gas to western countries will exceed 50 billion m³. In practice our country today already has the largest capacities in the world for the transit transportation of natural gas.

Now measures are being implemented on the increase of the capacity and productivity of the compressor units with the simultaneous decrease of the consumption by them of energy resources. Compressors with a power of 6 MW were used on the three lines of the system, which have been built so far. However, on the fourth line the compressor stations will be equipped with units with a power of 25 MW with electric drive and the control of the revolutions. The building of such units has already begun in the USSR. Czechoslovakia will also build them--in accordance with a license which was recently purchased.

The transit system on the territory of the CSSR for the transportation of natural gas not only is enabling the Soviet Union to fulfill its contractual obligations to the countries of Western Europe, but also is increasing the opportunities of our country to use the Soviet natural gas which is being delivered in payment for transit.

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USSR-EAST EUROPE BILATERAL TRADE

YUGOSLAV-SOVIET COOPERATION DESCRIBED

Moscow EKONOMICHESKAYA GAZETA in Russian No 15, Apr 83 p 20

[Article by Candidate of Economic Sciences V. Milovanov: "In Mutual Interests"]

[Text] The visit of Member of the Politburo of the CPSU Central Committee and Chairman of the USSR Council of Ministers N. A. Tikhonov to the Socialist Federal Republic of Yugoslavia occurred in March of this year. During the visit the Soviet and Yugoslav sides expressed satisfaction with the successful development of the economic, scientific and technical cooperation between the USSR and the SFRY.

Its generalizing indicator--the volume of foreign trade--in 1982 came to 5.3 billion rubles as against 1.6 billion rubles in 1975. It is anticipated that the volume of the Soviet-Yugoslav commodity turnover, which has been planned for 1981-1985, will be exceeded. The USSR is the largest trade partner of the SFRY.

Soviet orders are playing a quite significant role in the assurance of the more complete utilization of the production capacities of many Yugoslav enterprises, which given the existence in the SFRY of unemployed workers is of substantial importance. The orders from the USSR are ensuring, for example, the utilization of 40 percent of the capacities of the TTA Machine Building Plant in Sarajevo, about 60 percent of the capacities of the plant of transport equipment in Tuzla, more than 30 percent of the capacities of the MAG Production Association in Belgrad and such enterprises as Jedinstvo, Nikola Tesla and others. The USSR is meeting by deliveries from Yugoslavia an appreciable portion of its import needs for machine building products, consumer goods and several types of critical raw materials and materials, especially nonferrous metals and the products of their processing. Yugoslavia imports from the Soviet Union such goods, which are necessary to its national economy, as petroleum and petroleum products, natural gas, coking coals, various ores, ferrous metals, lumber, cotton and others, as well as machines and equipment, including complete sets of equipment.

The provision of technical and financial assistance on the part of the USSR to Yugoslav organizations in the construction of industrial projects is one of the traditional forms of the cooperation of our countries. On this basis the Soviet Union participated and is participating in the construction on the territory of Yugoslavia of 140 industrial projects, of which more than 80 have been put into operation, including about 40 during the past five-year plan. For the construction of enterprises the Soviet Union granted the SFRY credits in the form of complete sets of equipment and materials in the amount of more than \$2 billion,

a portion of which has already been repaid. The Yugoslav enterprises, which have been furnished with complete sets of Soviet equipment, are providing, in particular, 30 percent of all the electric power being generated in the country, more than 40 percent of the pig iron, 35 percent of the steel and 60 percent of the ores of nonferrous metals.

The credit agreement of 29 May 1981 in the amount of \$450 million for the construction of 16 national economic projects afforded new prospects of cooperation in this area.

Much attention is being devoted to cooperative ties. The volume of deliveries in accordance with the agreement on long-term specialization and cooperation between Soviet and Yugoslav enterprises are steadily increasing. During the current 5-year period the proportion of the cooperative products in the Soviet exports of machines and equipment to the SFRY will come to approximately one-third, while in Yugoslav exports to the USSR it will come to about one-fifth. The greatest gains in the development of this form of cooperation have been achieved in the automotive industry. In accordance with cooperation in the production of Zhiguli passenger cars a volume of reciprocal deliveries in the amount of about \$600 million is planned for 1981-1985, which exceeds by nearly 2.5-fold the results of the preceding 5-year period. During these years the Volga Motor Vehicle Plant will deliver to the SFRY 103,000 Zhiguli passenger cars in exchange for component assemblies for them.

Production relations are being successfully developed with Yugoslav enterprises in the production of KamAZ trucks.

Now the countries have begun the implementation of a program of the joint production of walking bucket wheel excavators. By 1985 the Soviet Union in exchange for components will deliver to the SFRY 20 walking excavators. In essence, with the assistance of the USSR and on the basis of Soviet technical specifications a new sector of industry will be created in Yugoslavia, as in the case with the organization at Yugoslav enterprises of the production of individual types of equipment for the nuclear electric power stations being built in our country. During 1981-1985 the deliveries from the SFRY of equipment for the nuclear electric power stations being built in the USSR will come to more than \$200 million.

In a number of sectors of industry the relations of Soviet and Yugoslav enterprises are gradually developing into production collaboration on the basis of specialization and cooperation. In particular, such cooperation has been established between our enterprises in the area of power machine building, shipbuilding and others. Yugoslav plants have assimilated in accordance with Soviet technical specifications the production of generators for power blocks, as well as boiler equipment, instrumentation and automatic equipment; Soviet enterprises are now willingly cooperating with them.

A number of qualitatively new agreements between the USSR and the SFRY have been signed in the area of the use of the services of Yugoslav construction organizations in the case of the construction of various projects on the territory of the Soviet Union.

Cooperation in the area of shipbuilding is traditional for our countries. During the period since 1960 Yugoslav shipyards have built for the USSR more than 120 ships

and other floating objects. The fulfillment of the next program, in conformity with which during 1981-1985 another 98 ships and floating objects will be built, is presently under way. The stability and scale of the Soviet orders in the area of shipbuilding are making the Yugoslav shipyards some of the busiest in the world. In this connection in the Yugoslav press it has been noted that at present the shipyards of the SFRY are booked up until 1986, while the shipyards of many other countries of the world are booked up for only 1-1.5 years.

Agriculture is becoming one of the important areas of Soviet-Yugoslav cooperation. Great reserves in the development of new forms of production relations exist here. The Basic Directions of the Implementation of the Long-Term Program of Economic, Scientific and Technical Cooperation Between the Union of Soviet Socialist Republics and the Socialist Federal Republic of Yugoslavia Up to 1990 were signed during the visit of N. A. Tikhonov to the SFRY.

It is deemed necessary to step up cooperation in such areas as power engineering, including nuclear power engineering, robotics and electronics and to broaden the cooperation in the sectors belonging to the agro-industrial complex and the food industry, in construction and transportation.

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TRADE WITH INDUSTRIALIZED COUNTRIES

SWISS-SOVIET TRADE RELATIONS REVIEWED

Moscow EKONOMICHESKAYA GAZETA in Russian No 17, Apr 83 p 22

[Article by V. Simakov, chief of the Administration of Trade With Western Countries of the USSR Ministry of Foreign Trade: "A Reliable Basis of Cooperation"]

[Text] The recently published data on USSR foreign trade attest that the stubborn aspiration of the most reactionary imperialist forces headed by the present U.S. Administration to undermine all-European cooperation has not been successful. The foreign trade turnover of the Soviet Union with the countries of Western Europe in 1982 as compared with 1981 increased by 1.3 billion rubles, or 5 percent, and came to nearly 30 billion rubles. And this is when the total volume of world trade last year, according to the data of the UN Economic Commission for Europe, decreased by 2 percent.

The foreign trade of the USSR with those West European countries, which have traditionally been guided in their foreign economic policy more by national interests than by the dictatorial cries from across the ocean, increased to an even greater extent last year as compared with the preceding year. Neutral Switzerland is one of those countries. The Soviet-Swiss commodity turnover increased last year by 16.4 percent and came to 964 million rubles. There is reason to assume that this year the volume of reciprocal trade will increase again.

Switzerland was one of the first capitalist countries which signed during the post-war period a trade agreement with the USSR, the 35th anniversary of which was in the spring of this year. The mutual desire of both sides to expand their business relations in conformity with the provisions of the Final Act of the Helsinki Conference was confirmed in the 10-year Agreement on the Development of Economic, Industrial, Scientific and Technical Cooperation, which was signed on 12 January 1978. It broadened substantially the law-of-contracts basis of the relations between both countries, which was created by the trade agreement. On the level of the practical implementation of the agreement the Soviet-Swiss Long-Term Program of the Development of Economic, Industrial, Scientific and Technical Cooperation, which is also intended for 10 years, was signed on 9 July 1979.

To a considerable extent it is possible to judge the progress of the fulfillment of the new interstate agreements from the fact that as compared with 1977 the Soviet-Swiss commodity turnover has increased by 2.6-fold and Switzerland has firmly secured itself a place among the 10 largest West European partners of the USSR. In

turn, the Soviet Union is the largest business partner of Switzerland among the socialist countries.

The Soviet Union exports to Switzerland petroleum and petroleum products, chemical items, nonferrous metals, fur, asbestos, some foodstuffs, medicines, as well as passenger cars, machine tools, tools and other goods.

Precision machine tools, forging and pressing equipment, technological equipment for various sectors of industry, chemical products, dyes, toxic chemicals for agriculture, medicines and several consumer goods hold the main place in the imports from Switzerland.

At present about 300 Swiss firms, the majority of which are small and medium-sized, are cooperating with Soviet foreign trade organizations. On the Soviet side approximately 40 all-union foreign trade associations are taking part in the trade with Switzerland.

An important role in the development of trade between the two countries is being played by their national exhibitions, which are held alternately in the USSR and Switzerland. For the purpose of better acquaintance with the potentials and needs of the economies of both countries the USSR Chamber of Commerce and Industry and the Swiss Bureau of the Development of Trade also organize trips of delegations of the representatives of business circles and promote the establishment and broadening of the contacts between interested Soviet organizations and Swiss firms.

Commodity Turnover Between the USSR and Switzerland in 1970-1982
(millions of rubles)

<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1982</u>
95	323	848	964

The joint stock companies with the participation of Soviet foreign trade and transportation organizations, which were created in Switzerland mainly in the 1970's, and the representations of Swiss firms in the USSR are also making an appreciable contribution to the strengthening of the business cooperation between both countries. Thus, the Sovoil Joint Stock Company is promoting the expansion of Soviet exports of petroleum and petroleum products to Switzerland, Russalmaz--jewelry. The Sovchart Joint Stock Company is providing services in the chartering of ships. The Soviet Voskhod Commercial Bank has opened in Zurich.

On the other hand, the representations of Swiss firms in Moscow are providing assistance in the making of commercial deals, particularly in the case of deliveries to the USSR of chemical items, dyes, toxic chemicals, pharmaceutical items and medicines, a number of foodstuffs and flavorings and individual types of equipment. The representation of the Credit Suisse bank has been opened in Moscow.

Both sides are devoting more and more attention to the implementation of entrepot trade.

The past year of 1982 was marked by a number of new appreciable steps on the further development of Soviet-Swiss trade and economic relations. Thus, in May an agreement on annual deliveries of Soviet natural gas to Switzerland of

360 million m³ from 1988 to 2008 was signed. In June a technical and commercial center was opened in Switzerland for the purpose of promoting further exports of Soviet machine tools. A number of major contracts for the importation to the USSR of various machines and equipment were signed with Swiss firms.

Technical and commercial negotiations on new contracts have been completed or are being conducted. Here the parties are striving for a greater balance of trade, including by the further increase of imports of goods from Switzerland, of course, on the condition of their competitive ability as compared with the goods of other supplying countries.

Such forms of collaboration as production cooperation, the construction, expansion and modernization of industrial installations and enterprises, the creation of agro-industrial complexes, some deals on a compensatory basis and cooperation on the markets of third countries are promising for the development of Soviet-Swiss trade and economic relations. Apparently, the corresponding organizations and firms of both countries need to perform more actively the work on the organization and further development of these forms of cooperation, which are a higher level of the international division of labor, the combination and consideration of the economic interests and needs of the partners.

As a whole the level of Soviet-Swiss cooperation, which has been achieved since the signing of the trade agreement, is a good basis for its further expansion and intensification. The development of trade and economic relations on an equal and mutually advantageous basis, the further improvement of the conditions of trade, the improvement of its structure, the seeking of new projects and areas of cooperation, the most complete consideration of the potentials and needs of the sides--this is far from a complete list of the directions, on which the corresponding organizations and enterprises of both countries have to work in the next few years.

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TRADE WITH INDUSTRIALIZED COUNTRIES

FINNISH-SOVIET ECONOMIC COOPERATION

Moscow EKONOMICHESKAYA GAZETA in Russian No 15, Apr 83 p 21

[Article by Yu. Piskulov, chief of the Secretariat of the Soviet-Finnish Permanent Intergovernmental Commission for Economic Cooperation: "The USSR-Finland: 35 Years of the Treaty"]

[Text] In all 35 years have passed since the day of the signing of the Treaty on Friendship, Cooperation and Mutual Assistance Between the USSR and the Republic of Finland. A protocol on the extension of the treaty for the subsequent 20 years was signed on 20 July 1970.

The experience of the effect of the treaty has convincingly demonstrated that this historic document was and remains a firm foundation, on which the entire set of fruitful, mutually advantageous Soviet-Finnish relations was and is being based.

The meeting of General Secretary of the CPSU Central Committee Yu. V. Andropov with President of the Republic of Finland M. Koivisto, which took place at the Kremlin on 22 December 1982, gave new stimuli to the development of such relations. During the discussion satisfaction with the successful development of the relations between the USSR and Finland in various areas on the firm basis of the 1948 Treaty on Friendship, Cooperation and Mutual Assistance was expressed on the part of both sides and it was emphasized that Soviet-Finnish relations are a graphic example of the fruitfulness of the policy of the peaceful existence of states with different social systems and of the implementation of the provisions of the Helsinki Final Act.

A High Level, a Large Scale

The mutual consideration of the national interests of both countries is, undoubtedly, the most important prerequisite of Soviet-Finnish economic relations, which, having dispensed with the recognition of the realities of the world of the first postwar years, then achieved new gains of mutual confidence and extensive cooperation. And in this connection it is difficult to overestimate the importance of the 1948 treaty. The letter and the spirit of this political document made it possible to realize the economic prerequisites of the cooperation of our countries, which have rich historical traditions of contact. The creation of a mutually advantageous trade policy situation, particularly the consistent observance by the parties of the most favored nation principle, which was established in the Trade Agreement between the USSR and Finland in 1947, was a specific manifestation of the favorable political climate.

In our times the importance of this favorable atmosphere, which was created by the efforts of both sides, is especially great. The Long-Term Program of the Development and Intensification of Trade, Economic, Industrial, Scientific and Technical Cooperation Between the USSR and Finland, which is intended for up to 1990 and which the parties intend to continue until the end of the century, became its highest "economic manifestation." This complex and specific prospect not only is enabling the cooperating parties for years ahead to plan production, employment, capital investments, shipments of products under subcontracting arrangements and so on, which in itself already implies an increase of the efficiency of production and trade, but also conforms to the highest goals of current policy on the European continent and throughout the world: to lend, as was indicated at the 25th and 26th CPSU Congresses, the maximum stability to the relations between countries with different social systems and to make detente irreversible.

When concluding the long-term program (1977) at the highest level it was noted that this document can with good reason be put down to the advantages of large-scale European policy and can be included among the notable steps on the implementation of the Final Act of the all-European conference.

The considerable increase of the commodity turnover between our countries to 18-20 billion rubles in 1981-1985 and to 22-24 billion rubles in 1986-1990 is outlined by the long-term program. Judging from the dynamics of the implementation of the current 5-year trade agreement (1981-1985), the outlines of the program will obviously be successfully fulfilled.

In 1982 the volume of the Soviet-Finnish commodity turnover reached a record level--5.2 billion rubles, the USSR--the most important trade partner of Finland since 1974--accounted for more than 25 percent of the total foreign trade of our northern neighbor. In turn, Finland holds second place in the trade of the Soviet Union with non-socialist countries. A commodity turnover at the achieved high level is envisaged in the current year of 1983 by the protocol on reciprocal deliveries of goods.

Increase of the Commodity Turnover of the USSR With Finland
(millions of rubles)

<u>1948</u>	<u>1960</u>	<u>1971</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
109	264	531	3889	5013	5194

Reciprocity

Soviet-Finnish trade has become an important component of the development of a number of sectors of industry of the Soviet Union and Finland. By means of deliveries from Finland the Soviet Union is meeting more than 45 percent of its import needs for equipment for the timber, pulp and paper and wood processing industry, up to 20 percent of the imports of ships and ship equipment, more than 50 percent of the imports of paper and more than 20 percent of the imports of cable items.

Soviet orders are of great importances for the assurance of production and employment in such sectors of Finnish industry as shipbuilding, the metalworking and timber processing industries, the production of consumer goods and a number of others.

The energy being received from the Soviet Union--liquid fuel (more than 10 million tons annually), electric power, fuel for nuclear electric power stations--traditionally is of great importance for all the sectors of the Finnish economy. Thus, the two 440-MW nuclear electric power stations, which were built in Finland by joint efforts, according to the testimony of experts, are the most efficient in the world with respect to both their degree of economy and their safety. The Soviet Lada passenger cars, of which 10,000-12,000 are annually sold there, enjoy deserved popularity in Finland. Some 100 electric locomotives, which were built by joint efforts and in which the leading achievements and production experience of both Soviet and Finnish enterprises found their embodiment, are running over Finnish railroads.

The Soviet people value highly the quality of Finnish products, be they the ice breakers and ships, which annually reinforce the USSR merchant fleet, equipment of the timber and paper industry or consumer goods. In 1982 consumer goods and food-stuffs alone worth more than 360 million rubles were delivered from Finland to our country.

In Finland it has been calculated that trade and economic cooperation with the Soviet Union provides work to more than 150,000 people, which affects the well-being of another 300,000 Finns. Several thousand people and more than 200 small and medium-sized firms were busy just at the construction site of the Kostomuksha Mining and Concentration Combine in the Karelian ASSR.

Soviet-Finnish cooperation has become an important and permanent factor of the economic growth of Finland, which, as is noted with satisfaction in this country, is of particular importance under the conditions of the aggravation of the crisis phenomena in the West.

At the representative Soviet-Finnish symposium on questions of trade and economic cooperation, which was held in Helsinki in April of last year on the initiative of the newspaper of Finnish business circles (KAUPPALEHTI) and EKONOMICHESKAYA GAZETA, it was emphasized on the part of the Finnish side that the present level of trade between both countries is ensuring such a significant increase of the gross national product of Finland, which previously had not even been anticipated. Trade with the USSR, A. (Kariainen), general director of the Bank of Finland and chairman of the Finnish section of the Soviet-Finnish Permanent Intergovernmental Commission for Economic Cooperation, said at the symposium, also explains the fact that in the last years of the past decade Finland in the rate of growth outpaced many other industrially developed countries of the West.

In turn, our trade and economic ties with Finland, it was noted at the symposium, are an essential part of the plan of USSR socioeconomic development for the current five-year plan and for the future to 1990.

Extensive Opportunities

During the meetings and discussions, which took place in December 1982 during the visit to Finland of Member of the Politburo of the CPSU Central Committee and Chairman of the USSR Council of Ministers N. A. Tikhonov, it was noted that the successful development of the trade, economic, industrial, scientific and technical cooperation between the two countries is a good example of the efficient use by the

partners of the potentials of the international division of labor. The aspiration to take steps toward the balancing and development of reciprocal trade at the achieved high level was confirmed.

On this level the numerous partners in cooperation in both countries are faced today with the task of the use of the available reserves of the further extension of mutually advantageous ties. The extensive development of production cooperation and specialization in shipbuilding, including the building of nuclear ice breakers, the production of equipment for the pulp and paper industry, the production of railroad rolling stock and means of communication, in electrical engineering, power engineering and other sectors, in which rich and positive experience of cooperation has been gained by the parties on the basis of long-standing trade relations, would be an important step in this direction. Modern Soviet equipment, including various motor vehicles, aircraft, ship component equipment and computers, in our opinion, could acquire greater use in Finland. There are also untapped reserves in the area of cooperation in third countries, for example, in the form of the more extensive enlistment by Finnish firms of Soviet organizations as subsuppliers and subcontractors.

Prospects of the further development of cooperation in the area of the joint construction of industrial, energy and other projects on the territory of the USSR and Finland exist. The implementation of the plans of the extension of the gas pipeline on the territory of Finland and the construction of a 1,000-MW nuclear electric power station would be a substantial stimulus of the increase of reciprocal deliveries of goods.

The work on the preparation of a new 5-year trade agreement between the USSR and Finland for 1986-1990 is being started this year. In this connection the task of identifying the new areas and forms of trade and economic cooperation, which would make it possible to achieve new, greater gains both quantitatively and qualitatively, is arising. In the opinion of the parties, the Soviet-Finnish Permanent Intergovernmental Commission for Economic Cooperation will, as in the past, play an active role in this matter.

Life has confirmed that the fundamental basis of Soviet-Finnish cooperation, which was created by the good will of the parties, has secured for it stable and dynamic development, which in practice is not susceptible to the fluctuations of economic and political conditions. The mechanism which formed on this basis is making it possible to solve successfully the problems of bilateral economic relations.

In his recent speech in the Parliament of Finland President M. Koivisto declared the resolve to follow steadfastly the "(Paasikivi)-Kekkonen" line, which is aimed at the strengthening of the cause of peace and the development of friendly neighborly relations and comprehensive cooperation with the USSR on the basis of the 1948 Soviet-Finnish Treaty on Friendship, Cooperation and Mutual Assistance. The experience gained during the effect of the treaty, the President said, shows the foresight and soundness of the decision made 35 years ago.

The experience of Soviet-Finnish trade and economic cooperation is especially valuable now, when, as never before, the observance in interstate relations of the provisions of the Final Act of the Conference on Security and Cooperation in Europe is important.

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JAPANESE BUSINESS RELATIONS

Moscow EKONOMICHESKAYA GAZETA in Russian No 9, Feb 83 p 21

[Article: "Business Relations With Japanese Firms"]

[Text] A press conference of the heads of the representations of the firms of (Itochu), Mitsui, Nissho-Iwai, Nichimen, Marubeni and Sumitomo, which are among the largest business partners of Soviet foreign trade associations in Japan, was held in Moscow. The heads of the representations noted that the development of trade and economic ties with the USSR is of great importance for Japanese firms, including many medium-sized and small firms. The increase of trade with Soviet partners is guaranteeing them the reliable marketing of products, employment at enterprises and the importation of a number of important goods. In particular, the firm of (Itochu) recently purchased in the USSR machine tools and presses worth \$2 million. The firm of Nissho-Iwai has contributed to the introduction at Japanese enterprises of 18 Soviet technological processes, including a method of the continuous teeming of steel, a method of the transpiration cooling of blast furnaces and a method of the dry quenching of coke. Japanese firms are delivering to the USSR pipe, road construction machinery, chemical and other equipment. In the relations with our country the Japanese business circles especially value the stability of the Soviet market and the possibility of planning economic activity for years ahead. In the opinion of the representatives of Japanese firms, scientific and technical cooperation, including in the area of power engineering, electronics and transportation, is also very promising.

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RELATIONS WITH ITALY'S ENTE NAZIONALE IDROCARBONE

Moscow EKONOMICHESKAYA GAZETA in Russian No 15, Apr 83 p 30

[Article by B. Rachkov: "The Good Traditions of ENI"]

[Text] For nearly a quarter of a century the Italian state concern of ENI [Ente Nazionale Idrocarbone], the firms of which are active in the petroleum, gas, chemical, machine building and other sectors of industry, has been among western companies a pioneer of the development of large-scale and mutually advantageous cooperation on a long-term basis with USSR foreign trade organizations. This idea was the main one in the statement to Soviet journalists of Mario (Reale), head of the ENI representation in Moscow.

Last year, M. (Reale) reported, the commodity turnover of the concern with USSR foreign trade associations came to nearly \$2.4 billion. No other firm in the world has such an indicator in business relations with the Soviet side. ENI now accounts for slightly more than 50 percent of the total volume of foreign trade between Italy and the USSR.

In recent times specialization and cooperation have been expanded between the affiliates of ENI and Soviet business institutions, scientific and technical ties are being actively developed. New spheres and methods of cooperation are constantly being sought. Along with other West European countries ENI is participating with its equipment in the construction of the Urengoy-Pomary-Uzhgorod gas pipeline, the largest in Eurasia.

In conclusion the head of the representation said that the concern of ENI has considerable, still unused possibilities for participation with Soviet business organizations in the fulfillment of the tasks of the 11th Five-Year Plan of the USSR.

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WEEKLY SCORES U.S. TRADE POLICY TOWARD USSR

PM050815 Moscow NEW TIMES in English No 12, Mar 83 pp 18-20

[Article by Genrikh Bazhenov: "Is There Room for Cooperation?"]

[Text] Foreign trade plays an ever bigger role in the development of the national economy of the USSR, in raising its efficiency. It also contributes to the implementation of the Soviet Food Programme, which was adopted last May. This major socioeconomic undertaking will rely primarily on domestic resources, but our foreign partners, above all the members of the Council for Mutual Economic Assistance, will also take part in enhancing the technological level of our agriculture and in the construction and modernization of food industry enterprises.

Coordination Plus Cooperation

At present more than 900,000 machines and sets of equipment bought in CEMA countries work in the agroindustrial sector of the Soviet economy. In the 10th Five-Year Plan period (1976-80) these countries delivered to the Soviet Union 785,000 agricultural machines, including more than 26,000 tractors, 292,000 machines for harvesting grain, potatoes and other vegetables, and over 394,000 machines for fodder preparation. In the 11th Five-Year Plan period deliveries from these countries will increase by 40 percent.

Scientific and technological cooperation between CEMA countries has also been activated. It is conducted within the framework of nine agreements on major agrarian endeavors, such as selection of the principal grain crops, chemicals in agriculture, industrial development of livestock breeding, electrification, mechanization and automation of agriculture and development of new means of plant protection. The results of more than 400 completed scientific research projects are already being introduced into production.

At present the fraternal countries are implementing 26 projects for the construction of large livestockbreeding complexes. An extensive exchange of genetic funds of cattle is underway. In the food industry there is cooperation in improving production processes, enhancing the nutritive qualities and taste of food products and broadening their range. CEMA countries are also expanding the construction and modernization of meat-packing and dairy plants, canneries, cold storages, sugar refineries, breweries and poultry-processing plants.

The long-term target-oriented programme of cooperation in agriculture and the food industry provides for large-scale maneuvering the investment resources. The aim of the coordination and cooperation of national resources is to make the fraternal countries more self-sufficient in food and agricultural raw materials.

At the same time, the Soviet Union is prepared to promote cooperation in agriculture with Western countries too--naturally, with those which, unlike the United States, are not trying to use trade as a foreign policy instrument.

Lessons of the Grain Embargo

It will be recalled that in December 1979, using the events in Afghanistan as the pretext, the Carter administration placed an embargo on the deliveries of additional amounts of grain which Soviet foreign trade organizations intended to purchase in the United States within the framework of the 1975 Soviet-American agreement. It also curtailed cooperation with the Soviet Union in many other fields. The White House stated officially that it was the most serious action which the United States could undertake without resorting to war and which was intended to have negative consequences for the entire Soviet people, preventing a growth in living standards and, in particular, affecting their diet.

The American embargo lasted 16 months. During this period, according to THE WALL STREET JOURNAL, the losses sustained by American farmers exceeded \$3 billion, while the total losses for the U.S. economy amounted, TIME MAGAZINE said, to about \$20 billion. As for the Soviet Union, the magazine noted, it re-oriented its grain imports, increasing purchases in other countries.

If prior to the embargo about 69 percent of the grain imported by the Soviet Union came from the United States, in 1981 this share dropped to 23 percent. During the same period grain deliveries from West European countries almost quadrupled. In 1979 the Soviet Union's wheat purchases from Latin America amounted to a mere 13.4 million rubles and in 1981, to 426 million rubles. The corresponding figures for maize were 130 million and 883 million. Latin American deliveries of soybeans grew 20 times over to 1.3 million tons in 1981, or 93 percent of total Soviet imports of this fodder crop.

[TM050817] In mid-1982, taking into account the change in the situation on the world grain market, U.S. Agriculture Secretary John Block admitted that the United States' refusal to sell grain to the Soviet Union signified that it had not learned the latest lessons of history, which had shown clearly the ineffectiveness of embargoes against the USSR. He stressed the desire of the United States to regain its lost positions on the grain market and to sell as much grain as possible to the Soviet Union. He said that 35,000 jobs were connected with grain deliveries to the Soviet Union and that this circumstance was extremely important for the United States.

Last October President Reagan proposed that three times as much grain should be sold to the USSR as was envisaged in the 1975 Soviet-American agreement.

Does this signify that Washington has fully given up all sorts of economic sanctions against the Soviet Union? By no means. The United States continues to erect various roadblocks in East-West trade. Despite the abolition in November 1982 of U.S. sanctions against West European firms providing equipment for the Siberian gas pipeline, Washington continues to insist on toughening conditions for the export of machines and equipment to the USSR and other CEMA countries.

Since Washington's special attitude to grain deliveries does not tally with its general policy in trade with the USSR, it has been explained that an increase in the deliveries of American grain will deplete the Soviet Union's currency reserves and weaken its economic potential. This explanation is groundless. Clearly, in the given instance economic considerations were given preference over political ones. On the whole, to retard in every possible way the development of the Soviet economy remains one of the principal aims of the U.S. economic strategy.

Quality of the Diet

For many years now the Western media and in the first place the American media have been playing up claims about a "food crisis" in the USSR, the existence of which is allegedly confirmed by the adoption of the Food Programme. Deliberately distorting the essence of the programme, the organizers of this propaganda campaign try to prove that the Soviet Union cannot feed itself and is obliged to spend considerable currency resources on food imports.

This propaganda campaign also has its ideological underpinnings: the adversaries of socialism contend that all this is to be blamed on the low efficiency of socialist agriculture as compared with private capitalist farming. They refer to the fact that prerevolutionary Russia was an exporter of grain, while the USSR has become its importer.

Let us take a closer look at the matter. Tsarist Russia with a population almost half that of the USSR today, produced annually about 70 million tons of grain. Part of the harvest was exported to Europe, while workers and peasants went hungry.

Already in the 1950's, having scarcely recovered from postwar devastation, the USSR began to harvest annually an average of over 100 million tons. In the 1960's the average annual harvest was 150 million tons and in the 1970's, despite extremely unfavorable weather conditions, the figure soared to 200 million. The current grain potential of the USSR is more than sufficient to meet the population's dietary needs. Why, then, did we decide to import grain?

Briefly speaking, this was done in the interests of the Soviet people, in order to balance the diet primarily by increasing livestock products. While the gross yields of grain rise annually, an unjustifiably large proportion of grain is used as fodder. Today when every year more than 100 million tons of grain is fed to livestock, even with maximum, by modern standards, grain harvests (220-235 million tons), it is difficult to fully satisfy the requirements of livestock breeding and, consequently, to supply more meat and dairy products without imports.

In other words, the problem is not to supply people with bread, but to improve their diets. Differing in principle from the grain policy of the Tsarist government, this economic strategy stems from the Soviet state's concern for improving the nation's nutrition. The issue is quality, because in terms of food intake (in kilocalories per day) the USSR long ago surpassed a number of industrially developed countries.

According to the estimates of the United Nations Food and Agriculture Organization, the present level of daily food consumption in the USSR is equivalent to 3,443 kilocalories, as against 3,329 kilocalories in a number of developed capitalist countries and an average of 2,590 kilocalories in the world as a whole. As the American CHRISTIAN SCIENCE MONITOR has written, per capita meat consumption in the Soviet Union today exceeds that of Norway, Greece, Spain, Portugal, Japan and Israel. As for the production of milk in the Soviet Union, it is greater than in any other country in the world.

The biased critics of the food policy of the USSR would do well to ponder the fact that the ever broader participation of our country in the international division of agricultural labor is an objective process. Practically all countries, including the most highly developed, import food products. For example, in 1982 the countries of Western Europe, Japan, Canada, Australia and New Zealand imported more than \$18 billion worth of agricultural goods. Western Europe imports much more fodder than the Soviet Union.

[PM050819] In 1980-81 France, while exporting 38 billion francs' worth of grain, imported meat and dairy products worth 25 billion francs. The United States, the biggest exporter of grain imports every year considerable quantities of meat and dairy products. In the fiscal year 1981-82 its total import of food products amounted to about \$15 billion.

The Soviet Union has no intention of giving up the benefits of foreign trade in increasing food resources, provided this is economically substantiated of course. In practice this means further involvement of the Soviet agroindustrial complex in international economic trade. In such conditions the reduction of food imports from the West envisaged by the Food Programme by no means signifies the Soviet Union's intention to adopt a position of agrarian autarchy.

The World's Largest Market

In the past five years the Soviet import of grain has trebled. Naturally, such large purchases entail additional expenditure of hard currency, which is offset at present primarily by increasing the export of energy carriers. Is such an exchange profitable to the USSR?

In the past ten years grain prices on the world market have trebled while the prices of oil and natural gas have gone up seven- to eightfold. It is not difficult to estimate that all currency expenditure on the import of grain and other foodstuffs in the past ten years has been offset by receipts from the export of energy carriers to Western markets in the course of 3-4 years.

Nevertheless, despite obvious profitability, such a division of labor can hardly satisfy us. First, because in order to import renewable food resources such as grain, meat and butter, we export nonrenewable resources--oil, gas, and some precious metals. Second, the situation on the world market is constantly changing. Fuel price rises alternate with falls. The prices of cereals are also unstable. As the experience of the mid-seventies and early eighties has shown, this may cause a definite strain in the foreign trade balance. Today for instance, our currency expenditure on the import of grain and other food products already amount to several billion rubles. Understandably, in different conditions the money could be spent on the purchase of other commodities, both for production purposes and for consumption.

Therefore, while partially solving the current problems of providing the population with higher-quality foodstuffs, grain imports cannot but affect the implementation of the long-term tasks of the Food Programme, which are connected primarily with changing the structure of the country's grain production. For instance, by raising sharply the share of high-protein and grain-pulse crops in fodder production, we shall eventually reduce the import of grain.

Will this lead to a curtailment of business ties with the West to agriculture? Farsighted businessmen in Western countries realise that the Food Programme's strategic orientation on reducing food imports will most likely be coordinated with a gradual reorientation on the import of farm machines and equipment for the agroindustrial complex.

In the 11th Five-Year Plan period (1981-85) the Soviet Union intends to purchase in the West machines and complete plant for the agroindustrial complex to the sum of 1.6 billion rubles. A spokesman for French agrobusiness has said: "In the course of the next 15 years the Soviet agricultural and food market will be the largest in the world. Therefore, France strives to occupy a worthy place on this market, so as to take part in the development of the agroindustrial complex of the USSR."

This aspiration is already assuming concrete forms. For example, the big French Gatineau firm suggests organizing the joint production of potatoes on an area of 200,000 hectares with the integration of all processes in harvesting, storing, transporting, processing, packaging, and sale. The Renault firm would like to cooperate in the construction of elevators from metallic structures, which are more economical than ferroconcrete ones. Similar proposals have been made by firms in other West European countries and Canada. Interest in deliveries of machines and equipment for Soviet agroindustrial enterprises was displayed by members of a delegation of Japanese businessmen which visited Moscow at the end of February.

The potentialities of the Soviet market are understood in the United States as well. The magazine ACROSS THE BOARD, published by U.S. business circles, noted recently that "the new food connection between the United States and the Soviet Union may represent the most important change in the relationships between the two countries since the cold war began a generation ago. It demonstrates in

clear economic terms that the United States and the Soviet Union need each other." The magazine believes economic ties "could transform long-term political relationships as well."

A correct idea. But its realization is blocked by the policy of the Reagan administration, which refuses to renounce cold-war dogmas.

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TRADE WITH INDUSTRIALIZED COUNTRIES

JAPANESE BUSINESSMEN PIN HOPES ON USSR TRADE

PM242333 Moscow IZVESTIYA in Russian 22 Feb 83 Morning Edition p 3

[Article by V. Shmyganovskiy: "A Reliable, Stable Partner"]

[Text] Japanese is heard on virtually all the floors of the building of the all-union Sovintsentr Association's offices. We met with the leaders of Japan's major companies at their Moscow legation.

"Japanese business people are pinning considerable hopes on the arrival in the USSR of the large delegation from our country headed by S. Nagano, president of the Chamber of Commerce and Industry," T. Atsumi, main representative of the Mitsui Company, said, "For many businessmen this will be like a new discovery of the Soviet market, which is still unfortunately insufficiently studied, in my view."

"Last year we achieved a record volume for us in trade with the USSR partners. Turnover was \$700 million. Mitsui increased its purchase of Soviet goods by 50 percent. We sell many of those goods in 'third countries.' This is a promising and mutually beneficial form of trade. Our company looks to the future with optimism and we believe that a joint efforts the definite stagnation in Japanese-Soviet trade can be overcome." [Sentence as received]

T. Matsushima, main representative of (Itoty), described some of the reasons for that stagnation.

"Our turnover fell by over \$100 million, in particular because of certain 'cowboy' sanctions. Because of these sanctions, for example, there has been a delay in the implementation of the Sakhalin project in which (Itoty) is a leading company. We are convinced that there is oil and gas on the shelf of that island. It is now a question of equipping the fields with ancillary facilities. We hope that the Japanese delegation's visit will help to clear the 'blockage' on that path.

"Among last year's contracts I should like to mention the purchase of Soviet metal-cutting machine tools. Many of them had previously been exhibited in a demonstration hall in Tokyo opened by (Itoty) especially for the display of such Soviet output. The machine tools interested industrialists--and they are already operating in Japanese enterprises."

"Our company," S. Yoshida of (Nisse-ivai) said, "also gambled long ago on the active introduction of Soviet equipment into Japan. We rate highly the achievements of scientific and technical progress in the USSR and have already purchased 18 licenses through the all-union Litsenzintorg Association.

"From the viewpoint of economic conditions, last year was difficult for us but I am sure that any sharp changes in the sphere of international trade and economic ties such as the Reagan 'sanctions' also harm their initiators."

"The world economic climate, in my view, is now 'foggy and rainy,'" K. Ishijawa, the new main representative of the (Nitimen) Corporation, said, "Many countries have reduced the volume of reciprocal deliveries in the depression conditions. Last year, (Nitimen) bought more from the USSR than it sold to it. It would like to point out that our deliveries are for gas pipelines. We attach paramount importance to the development of ties with the Soviet Union as a stable and reliable partner."

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TRADE WITH INDUSTRIALIZED COUNTRIES

SOVIET-ITALIAN CHAMBER OF COMMERCE MEETS

PM202245 Moscow EKONOMICHESKAYA GAZETA in Russian No 11, Mar 83 (signed to Press 9 Mar 83) p 21

[Report by S. Nikolayev: "USSR-Italy: In the Interests of Cooperation"]

[Text] The 18th General Assembly of the Italian-Soviet Chamber of Commerce has been held in Moscow. Taking part were eminent representatives of Italian industrial and commercial circles. The Italian-Soviet Chamber plays an important part in developing business ties between the USSR and Italy. It unites hundreds of large and small firms and foreign trade organization from both sides.

Addressing the assembly, A. N. Manzhulo, deputy minister of foreign trade, noted that last year the volume of Soviet-Italian trade increased 16 percent to top R4 billion. On the 1982 results Italy ranks third in the Soviet Union's trade with capitalist countries (after the FRG and Finland). Soviet foreign trade organizations and Italian firms have long maintained good business relations, and there is every ground for assessing positively the prospects for continuing this cooperation. In the period since 1981 we have purchased machinery and equipment in Italy worth a total of over R1.5 billion, a considerable proportion of which has already been delivered. The conclusion of further such contracts largely depends on the activeness and competitiveness of Italian firms and also on the conditions for the development of Soviet exports.

At the same time, the deputy minister said, it is striking that the development of Soviet-Italian trade in 1982 was effected mainly through the implementation of agreements and contracts between Soviet foreign trade organizations and Italian firms concluded in previous trade organizations and Italian firms concluded in previous years, that is, through what had been done previously. In this connection there is an urgent need to give new impetus to the development of Soviet-Italian business ties. At preceding meetings both sides had expressed relations between the USSR and Italy should develop on a more balanced basis, in particular through the expansion of the volume and range of reciprocally delivered goods. An important role in resolving questions of business relations between the two countries should be played by the 13th session of the joint commission on economic and scientific and technical cooperation between the USSR and Italy, which the sides have agreed to hold in Moscow in the near future.

R. Ossola, president of the Italian-Soviet Chamber of Commerce, spoke next. He stressed the need for further development of economic and industrial cooperation between the two countries in all spheres. Our cooperation, he said in particular, can include the joint implementation of projects for exploiting natural resources, joint projects in the field of agriculture, the food industry, long-distance communications, electronics and precision mechanics, and cooperation in trade with third countries. He noted the importance for economic relations of the building of the main gas pipeline and of deliveries of Soviet natural gas. R. Ossola emphasized that the need to support the positive elements in economic ties between the two countries and to find the most suitable solutions for various problems of cooperation is the duty of the Italian-Soviet Chamber of Commerce.

The chamber's important role in developing reciprocal trade was noted by G. Migliuolo, Italian ambassador to the USSR.

The speakers at the assembly noted that, despite the complication of world trade conditions, Soviet foreign trade organizations and Italian firms have recently signed several new contracts. Last year, in particular, contracts were signed with the Danieli and Unimorando firms for the delivery of equipment for a metallurgical plant and two construction materials industry enterprises to the Soviet Union.

Those taking part in the assembly noted the desire of the two countries' business circles to intensify and expand trade-economic and scientific-technical contacts. Their development will be promoted by continuing the course of large-scale and long-term cooperation between the USSR and Italy.

The General Assembly discussed the report of the chamber's administrative council and examined the plan for its activity in 1983. Steps were laid down for further intensifying bilateral business relations.

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